

ASSEMBLY BILL

No. 2605

Introduced by Assembly Member Nakanishi

February 22, 2008

An act to add Section 17053.85 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2605, as introduced, Nakanishi. Income taxes: credit: private school and home school.

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law.

This bill would, for each taxable year beginning on or after January 1, 2009, authorize a credit of \$500 for each dependent of a taxpayer in grades kindergarten to 12 attending a nonpublic school.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17053.85 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17053.85. (a) For each taxable year beginning on or after
- 4 January 1, 2009, there shall be allowed as a credit against the “net
- 5 tax,” as defined in Section 17039, an amount equal to five hundred
- 6 dollars (\$500) for each dependent of the taxpayer who is attending
- 7 a qualified nonpublic school.

1 (b) For purposes of this section, “qualified nonpublic school”
2 means a private primary or secondary school, or a home school,
3 grades kindergarten to 12, located in this state.

4 (c) No credit may be allowed by this section unless the taxpayer
5 is eligible to claim the child as a dependent on his or her tax return.

6 (d) In the case where the credit allowed by this section exceeds
7 the “net tax,” the excess may be carried over to reduce the “net
8 tax” in the following year, and succeeding years if necessary, until
9 the credit is exhausted.

10 SEC. 2. This act provides for a tax levy within the meaning of
11 Article IV of the Constitution and shall go into immediate effect.